



Caring for Your Coast

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ADDENDUM NO. 2

REQUEST FOR PROPOSALS FOR CONCESSION SERVICES AT COUNTY-OPERATED WILL ROGERS STATE BEACH

The County of Los Angeles (County) Department of Beaches and Harbors (Department) issues this Addendum No. 2 to the Request for Proposals for Concession Services at County-Operated Will Rogers State Beach (RFP), which was released April 23, 2017.

As indicated in the RFP Section 4.4 (County's Right to Amend RFP), the County may amend the RFP by written addendum. Part One of this Addendum No. 2 contains the County's answers to the Proposers' questions received at the Proposers' Conference held on June 7, 2017. Part Two contains the following revisions made to the RFP:

1. Section 2.2 of the RFP, Sample Contract Agreement: County Terms and Conditions, page 4, related to rent credit;
2. Section 8.5. of the RFP, Cost Proposal Evaluation Criteria, page 54, replaced in its entirety; and
3. Section 8.5, Appendix A, Section 1.1, Statement of Work, page 4, related to rent credit.

Due to the time involved in determining appropriate responses to questions posed, **all Proposals are now due by 5:00 PM (PST) on Thursday, September 28, 2017.** Only submissions from Proposers that attended the mandatory Proposers' Conference conducted on June 7, 2017 will be accepted.

Thank you for your interest in our Request for Proposals for Concession Services at County-Operated Will Rogers State Beach.

We look forward to receiving your proposals.

Very truly yours,

GARY JONES, DIRECTOR

Maral Tashjian, RFP Liaison



**THE INFORMATION PROVIDED HEREIN SUPERSEDES ANY OTHER
INFORMATION PREVIOUSLY PROVIDED.**

RFP ADDENDUM NO. 2, PART ONE

QUESTIONS AND ANSWERS

1. MULTI-MODAL TRANSPORTATION

Q 1.1: Can you explain the meaning of multi-modal transportation?

A 1.1: Multi-modal transportation planning refers to planning that considers various modes (walking, cycling, automobile, public transit, etc.) and connections among modes. Proposers must incorporate into their designs accessibility by public transportation, including engagement with Big Blue Bus (BBB) or Metro Authority (Metro), unless able to satisfactorily justify infeasibility.

Q 1.2: There are a number of configurations for the Big Blue Bus's access through the parking lot (RFP Addendum No. 1). Who will be making the final decision as to which one of those alternatives will be considered, and will we have any say as to which configuration will be used?

A 1.2: As an operator, the Proposer would configure the multi-modal public transportation into the project's operation. The schematics were provided by Metro and BBB, thus it is anticipated Proposers will approach both entities to obtain the best plan that Metro and BBB think will help their operations. Although Proposer will need to assess the impact on restaurant operations, public transportation must be incorporated into the project design unless infeasibility is justified.

Q 1.3: Is it optional or is it a predetermined factor that the Big Blue Bus is going to have ingress and egress through the parking lot?

A 1.3: Public transportation access to the site is required, unless infeasibility can be justified.

Q 1.4: Regarding the multi-modal transportation, can we have a drop-off area for Uber and Lyft?

A 1.4: All forms of public transportation are encouraged, thus a drop-off/pickup area for taxi, Uber, Lyft, etc. will be received favorably.

2. ENTITLEMENTS

Q 2.1: Is it the Proposer's responsibility to comply with CEQA and obtain all entitlements?

A 2.1: Yes, to the extent the project requires the preparation of environmental documentation and the securing of entitlements. All costs of CEQA and/or other environmental review, as well as to secure entitlements, if required, will be borne by the selected Proposer.

Q 2.2: What is the County's role in CEQA compliance and in preparation of an EIR?

A 2.2: The County will likely be the lead agency with respect to any CEQA analysis required. The Proposer will be required to fund any necessary environmental documentation for the project, which will be prepared by a third party approved by the County. As the project scope has not yet been defined, it is not known which CEQA document will be required.

Q 2.3: Will the County be the lead agency certifying the environmental document, or will it be the California Coastal Commission?

A 2.3: The County will likely be the lead agency with respect to any CEQA analysis required. The Coastal Commission will use the environmental document approved by the County, in addition to whatever other environmental review it deems necessary. The type of environmental document and permitting required will be dependent upon the actual development project proposed. Once the exact project scope has been determined, questions about the particular environmental document and the permitting that will be required, as well as the process(es) related thereto, will be addressed.

Q 2.4: Are there any indemnifications on the State's part or the County's part, as far as Phase I or Phase II environmental surveys?

A 2.4: The County will not provide environmental indemnification. We cannot speak for the State, but we surmise the State won't either.

Q 2.5: Is the City of Los Angeles (City) issuing its own coastal development permit?

A 2.5: The City does not have a Local Coastal Program that has been certified by the Coastal Commission, which would allow it to issue a final Coastal Development Permit (CDP) for the project. Development of the property will likely require an Approval in Concept from the Los Angeles County

Department of Regional Planning and a CDP from the Coastal Commission. The County's Public Works Department, Building and Safety Division, will be the permitting agency for building permits.

Q 2.6: What assistance will the County provide to obtain necessary Coastal Commission approvals?

A 2.6: The Department will provide assistance to the selected Proposer as, in its sole discretion, it deems able and advisable, but the selected Proposer will be the primary applicant and will have primary responsibility to pursue and obtain a Coastal Development Permit, if required, and all other approvals required for the project.

Q 2.7: Is the Coastal Commission prepared to answer Proposer's questions and is there a specific person overseeing this project?

*A 2.7: The Department has already notified Coastal Commission staff of this project, but we are not aware of a particular person overseeing this project. Proposers may contact the Coastal Commission directly with their questions. However, as an accommodation only, and to avoid repetitive questions that may burden Coastal Commission staff, Proposers may submit questions by email only to **Maral Tashjian** at mtashjian@bh.lacounty.gov, and the County will submit appropriate questions to the Coastal Commission. Answers will then be published. **Such questions must be submitted to the County no later than 5:00 pm (PST) on Wednesday, August 16, 2017.** There is no guarantee that any Coastal Commission questions will be answered prior to the RFP proposal filing deadline.*

Q 2.8: Can the County help coordinate Proposer questions to Coastal Commission staff so as to prevent duplicate questions and avoid inconsistent information?

*A 2.8: Yes. Proposers may contact the Coastal Commission directly with their questions. However, as an accommodation only, and to avoid repetitive questions that may burden Coastal Commission staff, Proposers may submit questions by email only to **Maral Tashjian** at mtashjian@bh.lacounty.gov, and the County will submit appropriate questions to the Coastal Commission. Answers will then be published. **Such questions must be submitted to the County no later than 5:00 pm (PST) on Wednesday, August 16, 2017.** There is no guarantee that any Coastal Commission questions will be answered prior to the RFP proposal filing deadline.*

Q 2.9: There is a current Coastal Commission permit for the concession. What is it for?

A 2.9: *There is a parking permit that expires in 2022, which the Coastal Commission has required be renewed every five years. The Department anticipates the selected Proposer will apply for an entirely new permit, inclusive of parking, if necessary, covering the entirety of the proposed new operations.*

3. EVALUATION PANEL

Q 3.1: What is the composition of the evaluation panel?

A 3.1: *The evaluation panel will consist of five members comprised of County employees and industry and other experts. The Department is still in the process of assembling the panel and will make the final decisions as to the composition of the evaluation panel. There will be no formal recommendation to the Board of Supervisors regarding the composition of the evaluation panel.*

Q 3.2: Will you be publishing the names of the evaluation panel members?

A 3.2: *Not at this time, but possibly, in the County's sole discretion, after recommendation to the Board of Supervisors for authorization to conduct exclusive negotiations with the selected Proposer. The Department intends to protect the integrity of its solicitation process by keeping the names confidential at the present time.*

Q 3.3: When will the evaluation panel's decision be published?

A 3.3: *The evaluation panel's decision will not be published. Upon completion of the evaluation and determination by the Department whether to endorse the panel's recommendation or present its own, the Department will notify the non-selected Proposers that the Department will be recommending to the Board of Supervisors a Proposer with which to enter into exclusive negotiations. Any non-selected Proposers may request a debriefing as described in RFP Introduction Section 8.6.*

4. ECONOMIC CONSULTANT

Q 4.1: How did you arrive at the percentage rates currently in place?

A 4.1 *Those rates are in the current concession agreement, which has been in place for many years. The Department's economic consultants examined these percentage rates, and they were found to be at market.*

Q 4.2: Who is the economic advisor on this?

A 4.2: *The names of the economic consultants involved in this solicitation process may be published, at the Department's sole discretion, after recommendation to the Board of Supervisors with respect to the selected Proposer. The Department intends to protect the integrity of its solicitation process by keeping the names confidential at the present time.*

Q 4.3: **Is there an assessment from the economic consultant available that describes how they developed their percentage rates?**

A 4.3: *During the negotiation of the concession agreement, it is likely the assessment will become a matter of discussion, except to the extent it may contain any privileged or protected information (e.g., protected financial or trade secret information).*

5. RFP

Q 5.1: **When do you anticipate DBH making its recommendation to the Board of Supervisors regarding the terms of the concession contract?**

A 5.1: *We anticipate making a recommendation to the Board of Supervisors in 2017 about a selected Proposer. Thereafter, we will enter into good faith negotiations with respect to the project and terms of a new concession agreement. Depending upon when the selected Proposer is able to complete whatever CEQA process is required, we expect to return to the Board for approval of the negotiated concession agreement, as well as the conditions precedent to that agreement's execution, within six to 12 months.*

Q 5.2: **Will you publish the rating criteria?**

A 5.2: *No, other than what has already been included in the RFP Introduction Section 8, Selection Process and Evaluation Criteria.*

Q 5.3: **Will the final scores be published?**

A 5.3: *No. If a non-selected Proposer submits a written request for a Debriefing pursuant to RFP Introduction Section 8.6, the Department may inform the requesting Proposer of its relative ranking.*

6. LEASE TERM

Q 6.1: **What is the term for the concession agreement?**

A 6.1: *The state legislature has approved up to a 50-year concession agreement at this location (Public Resources Code Section 5080.18.), but this will be an item for negotiation depending upon the term needed to allow the Proposer to amortize the constructed improvements.*

Q 6.2: *Is this a 50-year term, or can it be broken up into an initial term with extension options?*

A 6.2: *That is negotiable, but the County has a maximum 50-year opportunity for the selected Proposer to operate and would like to ensure the long-term stability of the operation.*

7. TRADEMARK

Q 7.1: *Will the selected Proposer be required to operate under the “Gladstone’s” trademark?*

A 7.1: *No. The selected Proposer will not be required to carry the “Gladstone’s” tradename. The selected Proposer may use its own tradename, or may, at its option, use the “Gladstone’s” tradename and trademarks, subject to the County’s agreement.*

Q 7.2: *Can other operations use the “Gladstone’s” trademark?*

A 7.2: *The County owns the “Gladstone’s” tradenames/trademarks and may license their use at the subject site for use by the selected proposer. Any licensing of those tradenames/trademarks will be at the County’s discretion.*

8. MONUMENT

Q 8.1: *Please explain and discuss the specifics for the monument mentioned in the RFP.*

A 8.1: *The monument is specifically required in the proposal. For purposes of the proposal, Proposers must agree to reserve some space for the monument that the public can visit to commemorate the history of the site and, ideally, to become a tourist destination. Discussion and negotiations with the selected Proposer will occur with respect to the details (e.g., content, location, size).*

9. RENT DEFERRAL

Q 9.1: *There was originally a rent credit for construction; has it now been changed to a rent deferral?*

A 9.1: Yes. The RFP Sample Concession Contract originally contained a rent credit, which has since been changed to a rent deferral. The rent deferral concept still takes into consideration the upfront costs that will be incurred by the selected Proposer for construction, the entitlement process, consultants, etc. The selected Proposer may defer some of the rent, with conditions, to a time when its business operations have commenced and are potentially generating greater revenue. Interest will accrue on deferred rent. Please see RFP Appendix C, Sample Concession Contract, Section 4.2.2.3 for details.

10. CAPITAL IMPROVEMENT/FF&E FUNDS

Q 10.1: How do the Capital Improvement/FF&E Funds work?

A 10.1: The Concessionaire will set up its own accounts to hold the Capital Improvement and FF&E Funds, which may thereafter be utilized only after written approval from the Department's Director is first obtained, which is generally to be secured from the Director on an annual calendar-year basis. See RFP, Appendix C, Sample Concession Contract Sections 5.13.2 and 5.13.3 for details.

The Capital Improvement Fund is a reserve fund, which, as stated in Sample Concession Contract Section 5.13.2, is to provide funds for the costs of "additions, replacements, renovations or significant upgrades of or to the [i]mprovements on the [p]remises." Contributions prior to the first Reserve Study (see Sample Concession Contract Section 5.13.1) are to be made monthly in the amount of 3% of gross receipts derived from the premises in the preceding month. Thereafter, pursuant to Sample Concession Contract Section 5.13.1 (4), the amount shall be an estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain major components of the project.

Pursuant to Sample Concession Contract Section 5.13.3, the FF&E Fund is to fund the cost of the "purchase and installment of replacements, additions or upgrades of or to the furniture, fixtures and equipment used in the improvements." Monthly deposits by the Concessionaire to the FF&E Fund are to be made equal to 1.5% of gross receipts for the previous month derived from the premises.

11. LABOR AGREEMENTS

Q 11.1: Is a project labor agreement and a labor peace agreement mandatory?

A 11.1: Yes. Proposals must have **both** a project labor agreement for construction **and** a labor peace agreement for restaurant operations. **Proposals without both will be disqualified.** Proposers are required to include such

agreements (either draft or executed) in their proposals. Please see RFP Introduction Section 7.7.5 (v) for reference. The agreements are negotiable between the Concessionaire and the respective unions, but may be subject to approval by the County.

Q 11.2: Will paying prevailing wages meet the requirements for the labor agreements?

A 11.2: No. Payment of prevailing wages, alone, does not meet these requirements.

Q 11.3: Does the current operator have a labor peace agreement?

A 11.3: No.

12. CONTINUATION OF OPERATIONS

Q 12.1: Will the current restaurant operation remain open during the RFP and permitting process? Can the current operator operate beyond the expiration of the current contract?

A 12.1: The current restaurant's lease expires October 31, 2017. However, the County anticipates continuing its contractual relationship with the current concessionaire on a month-to-month holdover basis until a concession agreement is entered into with the new Concessionaire.

Q 12.2: What will be the condition of the building when the contract is awarded? Will it be demolished?

A 12.2: The County is not planning to ask the current concessionaire to demolish the improvements. It is unknown what the building's condition will be at the time the concession agreement is awarded, but the Department notes that the main structure of the building is approximately 45 years old.

Q 12.3: Will the new operator be able to operate in the existing structure during the permitting process, or will the new operator be able to enter into an agreement with the current operator and operate it itself?

A 12.3: No. The selected Proposer will not have possession of the premises until a concession agreement is executed, which will only occur after the selected Proposer has all approvals, permits, and entitlements, as necessary, to redevelop the site. The County will expect the new Concessionaire to commence redevelopment of the site promptly after the new concession agreement is executed, subject to the County's ability to require a start date

that accommodates its interest in ensuring maximum accessibility of Will Rogers Beach during peak season.

13. USE

Q 13.1: Would a mixed-use facility, hotel, museum, or other non-food service business with a restaurant be considered responsive?

A 13.1: No. As per the RFP, Scope of Work, and Sample Concession Contract, the primary use of the premises must be a first-class restaurant and only ancillary uses of the premises directly related to the restaurant operation will be considered.

14. MISCELLANEOUS

Q 14.1: If a Proposer or Proposer's representative did not attend the mandatory Proposers' Conference on June 7, 2017, can the Proposer submit a Proposal?

A 14.1: No.

Q 14.2: Will a sign-in sheet of the Proposers from the Proposers' Conference be published?

A 14.2: No.

Q 14.3: For an operation that has its own intellectual property, do you require that it provide its marketing strategy plan? If so, should it be submitted once, or on a regular basis?

A 14.3: A marketing strategy plan is part of the evaluation criteria. Ratings will, in part, be based on how a Proposer will promote its business and how viable that strategy will be in today's market, including the use of internet and social media and other marketing tools. Ongoing marketing strategy submissions are negotiable.

Q 14.4: Are we able to see the current operator's performance numbers?

A 14.4: Yes, we can provide that information upon request.

Q 14.5: Is the County open to having restaurant employee parking in the lot north (County parking lot) of the restaurant?

A 14.5: *Employee parking in the lot north (County parking lot) of the restaurant is negotiable and should be included in proposals.*

Q 14.6: **Is there an advantage to certifying under a County Preference Program before the bidding process?**

A 14.6: *If the Proposer's enterprise is registered as a Local Small Business Enterprise (LSBE), Disabled Veteran Business Enterprise (DVBE), or Social Enterprise (SE), the Proposer can obtain extra points in the evaluation. Please see RFP Introduction Sections 6 and 8.5.1.*

Q 14.7: **Is the liquor license transferable?**

A 14.7: *Liquor licenses may be transferable. The current license expires in August 2017, and the current operator has applied to renew it. Please contact the California Department of Alcoholic Beverage Control with questions regarding the transfer of liquor licenses:*

<https://www.abc.ca.gov/datport/LQSMenu.html>

Los Angeles/Metro District Office:

888 S Figueroa Street, Ste.320

Los Angeles, CA 90017

Phone: (213) 833-6043

E-mail: LAM.Direct@abc.ca.gov

Fax: (213) 833-6058 FAX

Q 14.8: **When does the current lease expire?**

A 14.8: *The current Concession Agreement expires on October 31, 2017, but we anticipate the current operator may hold over on a month-to-month basis until a new concession agreement is awarded.*

Q 14.9: **Are there any specific limitations to the hours of operation?**

A 14.9: *Hours of operation will be negotiated during negotiations with respect to the new concession agreement. Proposers should include their intended hours of operation in their proposals. County regulations do not impose any limitations on hours, nor does the Sample Concession Contract. Other regulatory bodies may limit the hours of operation (e.g., the California Department of Alcoholic Beverage Control).*

Q 14.10: **There are going to be two major capital improvement projects planned on Pacific Coast Hwy (PCH). Are they still pending?**

A 14.10: *Although the question is extremely general, such as regarding location, we are aware that Caltrans is in the environmental/design phase of two highway improvements in the vicinity of Sunset and PCH, one north and one south of Sunset. One is the widening and realignment of PCH at the northernmost end of the Will Rogers State Beach parking lot adjacent to the Bel Air Bay Club. The second will be just north of Coastline Drive and will include a new rock revetment wall to protect the highway, as well as the replacement of severely deteriorated storm drains on the beach. We anticipate that both of these projects would be completed prior to the time the project resulting from this RFP is under construction. Nonetheless, all information about these or other highway improvement projects can be addressed to Caltrans at:*

*California Department of Transportation
District 7
100 South Main Street, Suite 100
Los Angeles, CA 90012
General Information: (213) 897-3656*

Q 14.11: Can food be served on the beach?

A 14.11: *To the extent a snack bar is proposed as part of a Proposer's submission, the Department would consider this to be an acceptable "ancillary use." If anything more is contemplated, this would need to be negotiated as part of the new concession agreement. Additionally, if interim food service is contemplated for special beach events, Proposers would need to secure a beach permit, in each instance, from the Department, dependent upon concurrence of the County's Fire Department Lifeguards. The selected Proposer may serve food on the patio deck.*

RFP ADDENDUM NO. 2, PART TWO

AMENDMENTS

1. The bullet point under RFP Section 2.2, which states,

"Rent credit for the concessionaire's construction cost. The rent credit may be applied to up to 50% of rent due for a period up to 15 years.",

has been deleted and replaced with the following:

"Rent Deferral in the amount of the concessionaire's construction cost (see RFP Appendix C Sample Concession Contract Section 4.2.2.3)."

2. The bullet point under RFP Appendix A Section 1.1 Scope of Work, which states,

"Rent credit for the concessionaire's construction cost. The rent credit may be applied to up to 50% of rent due for a period up to 15 years.",

has been deleted and replaced as follows:

"Rent Deferral in the amount of the concessionaire's construction cost (see RFP Appendix C Sample Concession Contract Section 4.2.2.3)."

3. Section 8.5 of the RFP has been amended and replaced as follows:

8.5 Cost Proposal Evaluation Criteria (total-15%)

The highest score will be awarded to the Proposal clearly showing the most efficient and effective plan for cost control, operating revenue, and patron attendance.

Cost control and operating revenue – 8% (see RFP Sections 7.7.5(d) and 7.8 last bullet point).

Patron attendance – 7% (see RFP Sections 1.0(h), 7.7.11 Marketing and Advertising).

8.5.1. County's Preference Programs Evaluation Criteria (additional to the main evaluation criteria; total – 15%)

Should one or more of the Proposers request and be granted the Local Small Business Enterprise Preference (LSBE), Disabled

Veteran Business Enterprise Preference (DVBE), or Social Enterprise (SE), the overall evaluation points will be adjusted as follows:

- a. **Local Small Business Enterprise Preference Program (LSBE):** Fifteen percent (15%) of the total points awarded to the highest-scored Proposer not claiming LSBE will be calculated, and that amount will be added to each LSBE Proposer who requested and was granted the LSBE Preference.
- b. **Disabled Veteran Business Enterprise Preference (DVBE):** Fifteen percent (15%) of the total points awarded to the highest-scored Proposer not claiming DVBE will be calculated, and that amount will be added to each Proposer who requested and was granted the Disabled Veteran Business Enterprise Preference.
- c. **Social Enterprise (SE):** Fifteen percent (15%) of the total points awarded to the highest-scored Proposer not claiming SE will be calculated, and that amount will be added to each Proposer who requested and was granted the Social Enterprise Preference.

In no case shall any Preference be combined to exceed fifteen percent (15%) in response to this solicitation.